



# **PSC NEWS**

## **Missouri Public Service Commission**

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Contact: Kevin Kelly

Phone: (573) 751-9300

*Governor Office Building, Suite 900*

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### **PSC ORDERS TEMPORARY RATE REDUCTION FOR OSAGE WATER COMPANY CUSTOMERS**

Jefferson City (November 13, 2001)---The Missouri Public Service Commission has ordered the Osage Water Company (Osage) to reduce its water rates on a temporary basis finding the water company was unlawfully charging its customers higher water rates before the water company was authorized to do so.

On March 29, 2001, the Commission issued an order which authorized Osage to increase water revenues by approximately \$54,300 a year. As a result, Osage was authorized to file tariffs with the PSC implementing the rate increase. On May 25th, the PSC Staff reported that Osage had filed proposed tariffs, but those tariffs were rejected by the Commission. On July 13th, Osage re-filed the tariffs intended to comply with the Commission's March 29th decision.

On July 23rd, the Office of the Public Counsel stated it was concerned about the possibility that Osage had been charging amounts higher than authorized by its then-effective tariffs. Although the Commission had approved tariffs reflecting an increase in water rates for service rendered on and after July 26th, the Commission ordered the PSC Staff to investigate whether Osage had been charging the higher rates before its tariffs were approved.

The PSC Staff filed a report based upon its investigation. According to that report, Osage had, in fact, been charging the higher water rates since May 1, 2001, 86 days before its tariffs were approved.

The Commission stated in its order: "The Commission will not allow Osage to retain the benefits of its illegal overcharges." The Commission has ordered the water company to reduce its rates to the previously-authorized level until it has foregone revenues equal to the amount of

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the unlawfully collected overcharges. The Commission noted: “This temporary reduction will make customers whole for the overcharges between May 1 and July 26. The Commission will order Osage to file new tariffs to reduce its rates to the previously-authorized level, and will allow Osage to file tariffs to once again raise its rates upon a showing that it has foregone revenues equal to the amount of the unlawfully collected overcharges.”

For a residential customer using 6,000 gallons of water a month, water rates will drop from \$31.84 to \$18.10 a month (the rate before the rate case decision) under the temporary reduction.

The Osage Water Company serves approximately 220 water customers near Osage Beach, Missouri.

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Case No. WR-2000-557